

**CALIFORNIA STUDENT AID COMMISSION  
P.O. Box 419026  
Rancho Cordova, CA 95741-9026**

**NOTICE OF PROPOSED RULEMAKING  
AMENDMENT TO TITLE 5, CA CODE OF REGULATIONS, §30023(c), REGARDING  
GRACE PERIOD FOR SUBMISSION OF GRADE POINT AVERAGES AFTER CAL  
GRANT APPLICATION DEADLINE  
(EDUCATION CODE 69432.9)**

**NATURE OF PROCEEDING**

Notice is given that the California Student Aid Commission (CSAC) is proposing to take the action described in the Informative Digest.

A public hearing regarding this proposal is currently not scheduled. However, any interested person or duly authorized representative may request, no later than 15 days before the close of the written comment period that a public hearing be scheduled.

Following the public hearing, if one is requested, or following the written comment period, if no public hearing is requested, the California Student Aid Commission, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify the proposals if the modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days before its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written comments related to this proposal, or who provide oral testimony if a public hearing is held, or who have requested notification of any changes to the proposal.

Notice is also given that any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to:

California Student Aid Commission  
Attention: Sanjay Singh  
P.O. Box 419028  
Rancho Cordova, CA 95741-9026

Comments may also be submitted by facsimile (FAX) at (916) 526-8002 or by email to [spsingh@csac.ca.gov](mailto:spsingh@csac.ca.gov). Written comments must be submitted before 5:00 p.m. on January 15, 2007.

## **AUTHORITY AND REFERENCE**

Pursuant to the authority vested by Section 69433.7 of the Education Code, the California Student Aid Commission is considering changes to Title 5 of the California Code of Regulations, Section 30023, to amend the grace period for submission to the Commission of grade point average(s) after the filing deadline for Cal Grant applications. The commission is implementing, interpreting and making specific 69432.9(c) of the Education Code.

## **INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

The Commission administers the Cal Grant Program pursuant to Education Code Section 69430 et seq. The Cal Grant Program includes two types of awards. Entitlement awards are made to all students who meet specified academic and financial need requirements, regardless of the number of applicants. In addition, a limited number of competitive awards are made by selection of the most qualified applicants. Applications for awards must be submitted by a specified deadline each year. (Ed. Code §§ 69434(b) (1), 69435.3(a) (1), 69436(b) (1), 69437(b) (1).) Education Code Section 69432.9, subdivision (c), specifies that a grade point average (GPA) must be submitted by Cal Grant A and B applicants, and requires the Commission to adopt regulations that establish a “grace period” for the receipt of GPAs.

Pursuant to the authority provided in Education Code Section 69432.9, subdivision (c), the Commission adopted California Code of Regulations, Title 5, §30023(c), to establish a 20-day grace period following the Cal Grant application deadline in which educational institutions could request that the Commission accept a late submission of an applicant's GPA. The regulation specifies that the Commission will accept, on a case-by-case basis, the submission of an applicant's GPA from the educational institution after the established application deadline if, in the Executive Director's opinion, circumstances beyond the control of the applicant prevented or delayed the timely submission of the GPA, and if such request for late submission of the GPAs is received no later than twenty (20) days after the established deadline.

The grace period established in this regulation is unduly restrictive. It makes no distinction between the entitlement and competitive award programs, which fundamentally differ in the way grants are awarded to applicants. Because a limited number of competitive awards are available and only the most qualified applicants can be selected, a shorter grace period is necessary to allow the pool of applicants to be fixed at a specific point in time and the selection of applicants from that pool to be made on a timely basis. In contrast, the purpose of the entitlement program is to make awards to all qualified applicants, and entitlement awards need not be made from a fixed pool on a specified date. Extending the grace period for entitlement award applicants assures an opportunity for all qualified applicants to be considered, consistent with the purpose of the program. Second, the regulation currently allows only the educational institution to request that the Commission accept a late GPA. Since the applicant is the intended beneficiary of the Cal Grant Program, it is inconsistent with the purpose of the program

to restrict the applicant's ability to make a request directly to the Commission and instead to make him dependent upon his school to make a request on his behalf.

In addition, technological advances have changed the way grade point averages are submitted to the Commission, and some schools, especially high schools with limited or nonexistent Information Technology (IT) departments, have not been able to keep up as well as colleges or vocational schools, who typically have more IT-related resources than high schools, prompting longer delays in reporting GPAs to the Commission.

The proposed amendment to Section 30023(c) will make the following changes to the regulation:

- 1) For requests to accept late submission of GPAs made by or on behalf of applicants for entitlement awards, extends the 20-day grace period following the March 2<sup>nd</sup> filing deadline to 75 days. The 20-day grace period would be retained for competitive applicants only.
- 2) Requires the Commission to notify applicants who may be eligible for a Cal Grant entitlement award no later than 45 days after the March 2<sup>nd</sup> filing deadline that the Commission has not received the applicant's GPA and of the deadline to request late submission.
- 3) Clarifies that individual applicants for entitlement or competitive awards, in addition to reporting institutions, can submit a request to the Commission to accept late submission of the applicant's GPA after the established application deadline.
- 4) Clarifies the information that must be submitted to support requests for late submission of GPAs, showing that Circumstances beyond the control of the applicants prevented timely submission. The supporting information must consist of certification from the reporting institution that circumstances beyond the control of the applicant prevented or delayed the timely submission of GPAs to the Commission, proof that the GPA was originally mailed to the Commission by the filing deadline, or a description, under penalty of perjury, of the facts showing the circumstances beyond the control of the applicant prevented or delayed the timely submission of GPAs to the Commission.
- 5) Clarifies the deadlines for application, and specifies when deadlines for requests for late submission of GPAs will be extended.
- 6) For requests to accept late submission of GPAs made by or on behalf of applicants for entitlement awards for the March 2, 2006 deadline only, extends the grace period for receipt of such requests to August 31, 2006, to allow the Commission to consider a number of late requests that were received after the existing 20-day grace period.

The regulation retains the existing requirement that requests for late submission of GPAs will be considered on a case-by-case basis, and accepted only if, in the opinion of the Executive Director, circumstances beyond the control of the applicant prevented or delayed the timely submission of the GPA to the Commission. There is no change to the existing requirement that applicants must submit a financial aid application (FAFSA) by the established deadline. The regulation retains the ability for reporting institutions to

submit a request to the Commission on behalf of applicants to accept late submission of GPAs.

The objective of the proposed amendments are to accomplish the Legislative intent of the Cal Grant entitlement program of providing state aid to all eligible applicants, by eliminating an unnecessarily restrictive grace period for late submission of the applicants' GPAs.

There is no comparable existing federal statute or regulation.

#### **LOCAL MANDATE DETERMINATION**

The Commission has determined that the proposed regulation does not impose a mandate on local agencies or school districts or impose costs that may be reimbursed in accordance with Government Code Section 17500 et seq., or impose any other nondiscretionary costs or savings on any local agencies or school districts. The amendment clarifies an existing requirement regarding the submission of GPAs by educational institutions without imposing new costs. Schools are not required to submit requests for late submissions of GPAs but may choose to do so.

#### **FISCAL IMPACT ESTIMATES**

The Commission has determined that the proposed regulation will not result in any cost or savings in federal funding to the state. The Commission has determined that the proposed regulation will result in some additional cost to the state. The regulation would allow some applicants for Cal Grant entitlement awards to receive funding who would not receive funding under the existing regulation because of the limited grace period in which to submit late GPAs.

#### **COST OR SAVINGS TO STATE AGENCIES**

The average cost for a new entitlement award for the 2006-07 academic-year is \$3,112; based on the May revision to the January 2006 Governor's budget and contained in information shared with the Department of Finance. The cost estimates for awarding 100, 125, and 150 entitlement applicants, respectively, are listed below:

Average cost for a new 2006-07 Cal Grant Entitlement award:      \$3,112

100 applicants x \$3,112 = \$311,200

125 applicants x \$3,112 = \$389,000

150 applicants x \$3,112 = \$466,800

This cost would be incurred by the Commission under the Cal Grant Program, but would not place any additional costs on local school districts or other state or federal agencies, as schools are not mandated to submit GPAs to the Commission but do so on a voluntary basis.

The Commission expects that, by extending the grace period to 75 days past the established deadline for entitlement applicants to request late GPA submission, there will be a population of applicants who will request and receive approval for late GPA submission. It is assumed, using the baseline number established for the retroactive portion of this emergency regulation amendment, that the number of applicants will be at

least that of the March 2006 award cycle, with approximately 100-150 additional applicants receiving a Cal Grant entitlement award.

**EFFECT ON HOUSING COSTS**

None.

**BUSINESS IMPACT/SMALL BUSINESSES**

CSAC has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposal would impose no costs upon business. The proposal does not affect small businesses as defined by Government Code Section 11342.610.

**ASSESSMENT REGARDING EFFECT ON JOBS/BUSINESSES**

CSAC has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

**COST IMPACT ON REPRESENTATIVE PERSON OR BUSINESS**

The agency is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

**BUSINESS REPORT**

This regulatory proposal does not require a report.

**ALTERNATIVES**

CSAC must determine that no reasonable alternative considered by the agency, or that has otherwise been identified and brought to the agency's attention, would be more effective in carrying out the purpose for which the adoption of this regulation is proposed, or would be as effective as and less burdensome to affected private persons than the proposed action.

**CONTACT PERSON**

Inquiries concerning the proposed adoption of this regulation and written comment may be directed to:

California Student Aid Commission  
Sanjay Singh  
P. O. Box 419026  
Rancho Cordova, CA 95741-9026  
(916) 526- 8254

or,

California Student Aid Commission  
Tae Kang  
P. O. Box 419026  
Rancho Cordova, CA 95741-9026  
(916) 526-7961

## **TEXT OF PROPOSAL**

Copies of the exact language of the proposed regulations and of the Initial Statement of Reasons and all the information upon which the proposal is based may be obtained upon request from CSAC, P. O. Box 419026, Rancho Cordova, CA 95741-9026. These documents may also be viewed and downloaded from the CSAC website at [www.csac.ca.gov](http://www.csac.ca.gov)

## **AVAILABILITY OF RULEMAKING DOCUMENTS**

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the persons named above.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named above.

## **FINAL STATEMENT OF REASONS**

When the Final Statement of Reasons is available, it may be viewed and downloaded from the CSAC website at [www.csac.ca.gov](http://www.csac.ca.gov). Additionally, requests for the Final Statement of Reasons could be made to that the contact person named above.

## **WEBSITE ACCESS**

Materials regarding this proposal can be found at [www.csac.ca.gov](http://www.csac.ca.gov).